

January 24, 1975

Senator Anderson, and Judiciary gives notice of Committee hearings. Signed Senator Lundtke, Chairman. Mr. President, I add--I move to add the name of Senator Kennedy to LB 519 and LB 514. Signed Senator Schmit.

SPEAKER: Any objections? If there is no objection, the chair will recognize this as being done by unanimous consent. So ordered.

CLERK: Mr. President, I have a motion to introduce a bill. I move the introduction of the attached bill by the Banking, Commerce, and Insurance Committee. Signed Senator Murphy. (Req. 674) Read title.

SPEAKER: Senator Murphy.

SENATOR MURPHY: And so it was in the beginning. This is a bill that was lost temporarily in the shuffle yesterday. It had been properly drawn. It is going to be, I am sure, the exclusive property of the Insurance Committee and in as much as it was pure and simply an oversight and has been duly endorsed by a majority of the Committee, I ask that its introduction be allowed by the customary 30 consenting votes.

SPEAKER: You heard the request of Senator Murphy. All in favor of voting in the affirmative for the introduction of that bill--yes, Senator Cavanaugh.

SENATOR CAVANAUGH: Can't we have a little better explanation of the bill?

SPEAKER: Senator Murphy, will you yield?

SENATOR MURPHY: Yes, sir.

SENATOR CAVANAUGH: Senator Murphy, it relates to loans on insurance policies?

SENATOR MURPHY: The provision in the bill specifically that will be given public hearing is that an insurance company may charge--it raised the maximum borrowing rate interest from 6 to 8 on the cash value of a policy and I think that in all fairness it should be heard. Particularly in the face of what has happened to our interest rate in these past few years, where people are actually borrowing cash value on insurance policies, investing them in bonds and, of course, if the rate returns, they will then restore them. I think it makes an insurance company's life quite difficult. However, this will have a full and public hearing.

SENATOR CAVANAUGH: Senator Murphy, I didn't want you to argue the merits of the bill. You, obviously, are already in favor of the bill. I just felt that the body should know what the bill does. It raised the interest rate that you can charge from 6 to 8% on loans on your insurance policy, then.

SENATOR MURPHY: If the head knows, the body don't need to know, Senator Cavanaugh. However, that is precisely what it does, Senator.

SENATOR CAVANAUGH: Well some of us might not be so enthusiastic about that as you and we might want to consider that in our consideration of whether we--

SENATOR MURPHY: Then I would encourage you to appear at the Hearing and offer such valid testimony as you have, sir.